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Before the  
Federal Communications Commission  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

Billed Party Preference )  
for O+ InterLATA Calls )

CC Docket No. 92-77

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## **SUMMARY**

Billed Party Preference has been under consideration by the Commission since April, 1989, when Bell Atlantic introduced the concept in a Petition for Rulemaking. Several parties championed Billed Party Preference as the ultimate solution to the problems that plagued the operator services industry at that time. However, Billed Party Preference supporters have not demonstrated that the tangible and intangible costs associated with its implementation are justified.

In these comments, LinkUSA urges the Commission to proceed cautiously in this matter until all the factors affecting Billed Party Preference are thoroughly investigated, defined, and quantified. In the final analysis, LinkUSA believes that the negative financial and operational consequences inherent in a Billed Party Preference system are substantially greater than its purported benefits.

Many of the problems that initially made Billed Party Preference attractive have already been rectified. Competition in the O+ market is more intense than ever and will continue to flourish as new third tier IXCs are able to accept O+ traffic. Federal legislation, rules and reporting requirements also promote consumer awareness and carrier choice. Additionally, IXCs and public communications providers have recently invested millions of dollars into making access code dialing available from all transient locations. These developments allow consumers to use a preferred carrier while enabling the industry to avoid the extraordinary financial and operational changes necessary to install a nationwide Billed Party Preference system.

LinkUSA vigorously supports the Commission's proposed rule that all O+ calling cards should be available for validation and billing by all IXCs and that proprietary cards require the use of access code dialing. Access code dialing "preserves" the proprietary nature of the calling card and consumers are rapidly becoming accustomed to its use. By requiring that all O+ calling cards be treated as in the "public domain", the Commission establishes a simple way for consumers to make a distinction between proprietary and non-proprietary cards, thereby eliminating a source of frustration. LinkUSA strongly endorses that such action be taken, whether or not Billed Party Preference is mandated.

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LinkUSA hereby submits its comments in the above-captioned proceeding.<sup>1</sup> As a wholesale provider of interstate operator assisted services, LinkUSA enables third tier interexchange carriers to offer to their customers enhanced product offerings such as travel features, information services, and operator assisted calling.<sup>2</sup> Thus, LinkUSA has a vested interest in the outcome of this proceeding and offers the following comments on the practicality and feasibility of a nationwide Billed Party Preference system.

I. INTRODUCTION

In its NPRM, the Commission has proposed a system of Billed Party Preference which would route O+ interLATA calls to an interexchange carrier designated by the party who would ultimately pay for the call. Under the plan, all O+ interLATA calls would be intercepted by a local exchange carrier (LEC) who would query the LIDB data base to ascertain

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<sup>1</sup>In the Matter Billed Party Preference for O+ InterLATA Calls, CC Docket No. 92-77 (Released: May 8, 1992) (NPRM).

<sup>2</sup>The term "third tier interexchange carrier" is used by LinkUSA to denote interexchange carriers whose annual revenues do not exceed \$120 million. LinkUSA research indicates that over 300 such companies are currently operating throughout the United States.

the caller's presubscribed interexchange carrier (IXC) for operator services. The call would then be transferred to the IXC "preferred" by the billed party for completion.

While Billed Party Preference may be an attractive concept, it represents a fundamental change to the manner in which O+ calls are processed. It promises to inject technical, operational, and financial hardships upon the same people the Commission seeks to assist, the calling public. LinkUSA, therefore, urges the Commission to solicit additional information from IXCs, LECs, and consumers if the data submitted in this proceeding is incomplete or inconclusive. To be in the public interest, Billed Party Preference must promise to be a truly ubiquitous and affordable call processing alternative; it should induce a greater level of quality, ingenuity, and competition in the market than is achievable under the current system.

## II. SCOPE OF BILLED PARTY PREFERENCE

LinkUSA supports the Commission's efforts to ensure that operator services are a convenient, efficient and economical means of placing long distance telephone calls. Historically, operator services have been costly and inefficient due to the labor intensive nature of the product. In recent years, however, innovations in operator services technology and features have significantly enhanced the quality and availability of public communications services.

LinkUSA agrees that a uniform system of dialing is more desirable than a "patchwork of different plans for different phones". Thus, if adopted, Billed Party Preference should be made simultaneously available in all calling locations across the country, including those areas where

equal access is not available. In addition, if implemented, Billed Party Preference should not alter the dialing sequences currently used by consumers to place operator assisted calls, nor should consumers be precluded from using line number based calling cards issued by any IXC. Billed Party Preference can only be "user friendly" if it is implemented uniformly and conveniently in every transient location in the nation.

### **III. BENEFITS AND COSTS OF BILLED PARTY PREFERENCE**

In determining whether or not Billed Party Preference is in the public interest, it is important to consider who benefits from its deployment and at what cost.

#### **A. Billed Party Preference Will Curtail Innovation and Increase Prices**

LinkUSA has structured its business to allow third tier IXCs to provide consumers with convenient, efficient, innovative services at highly competitive rates. The economies of scale the company is able to achieve using state-of-the-art technology translate into enhanced operator services offerings and low prices for the calling public.

By mandating Billed Party Preference, the Commission is effectively blocking efforts by third tier interexchange customers to introduce new products and to reduce rates for operator assisted calls. Subscribers to LinkUSA services are price leaders in their respective regions; they have a close and long standing relationship with their customers. LinkUSA enables these carriers to enhance their product offerings so that they may more effectively compete in the marketplace. Because these IXCs are more concerned with satisfying the overall needs of their customers than with maximizing the revenue potential for operator



assisted calls, IXCs reselling LinkUSA services can provide enhanced operator assisted calling to consumers at rates equal to or below AT&T.

Billed Party Preference will, by definition, interpose the LEC between the consumer and the IXC. The interception of the LEC in this manner will inhibit, or, in some cases, eliminate, innovation for transient users. Services such as voice messaging, information resources, foreign language assistance, and precise emergency call handling would be difficult, if not impossible to implement in a Billed Party Preference environment. LEC-imposed administrative hurdles, financial constraints, technical limitations, and operational restrictions would preclude IXCs from implementing these new and beneficial services.

Billed Party Preference will also frustrate efforts by LinkUSA customers to reduce consumer prices. As carriers strive to recoup their investment in Billed Party Preference, its cost will ultimately be borne by the consumer in the form of higher rates and charges. Billed Party Preference will substantially increase the costs incurred for collecting the information necessary to process and bill operator assisted calls. Because Billed Party Preference requires that this critical data be obtained from a LEC, LinkUSA will incur LEC-imposed costs for the same data it receives directly from the originating telephone today.

For example, IXC costs to collect the requisite data to bill an operator assisted call currently range between \$.01 and \$.06 per transaction, depending upon the type of call. Billed Party Preference will cause IXCs to incur additional fees of up to \$.50 per call to

obtain this same information from a LEC.<sup>3</sup> For example, the fixed rate portion of an "AT&T-rated" calling card call could increase from \$.80 to \$1.30. Per call charges for collect and third party calls, which comprise nearly 50% of all O+ interLATA calls, would also escalate due to the higher costs associated with operator handling and longer call processing times. Is the Commission prepared to endorse a system which will have this dramatic effect on consumer prices?

In this proceeding, the Commission is gathering an abundance of data that should reveal the operational and economic costs of Billed Party Preference. It is necessary to conduct a quantitative and qualitative analysis of these factors to ascertain how Billed Party Preference will actually impact the availability and price of consumer services. To remain viable, it must be demonstrated that Billed Party Preference does not compromise the benefits that competition is advancing in the provision of innovative and economical operator services.

**B. Billed Party Preference Threatens Competition in Public Communications**

If Billed Party Preference is implemented, steps should be taken to ensure that competition in public communications is not extinguished. Manufacturers and owners of pay phones have penetrated markets where the LECs had traditionally monopolized the availability and price of public telephone services. They have also prompted the installation of calling

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<sup>3</sup>LinkUSA has based its projections upon the fees generally applicable to LEC O- Operator Transfer Services. Charges for these services fluctuate among the local carriers, however, some LECs have tariffed charges in excess of \$.50 per call.

facilities in locations that would not otherwise offer such services to the public. The advent of store-and-forward technology has significantly improved the efficiency and quality of public communications. These companies have recently expended millions of dollars to comply with the Commission's posting and unblocking requirements. They are working to ensure that consumers have expeditious access to all IXCs from the locations they serve. Billed Party Preference would nullify these tremendous and costly efforts.

A compensation mechanism for public communications providers must also be developed if Billed Party Preference is implemented. Recently, the Commission concluded that aggregators are entitled to compensation for calls placed using access code dialing<sup>4</sup>. LinkUSA agrees that public communications providers are entitled to recover their costs from all users of their services. Absent such a revenue recovery scheme, competition in this segment of the industry could become extinct. However, LinkUSA warns the Commission that a Billed Party Preference compensation plan could adversely affect prices to transient consumers.

The Commission has proposed to preclude pay phone manufacturers and owners from "dialing around" Billed Party Preference; LinkUSA believes this restriction is unreasonable and should be modified. Consumers enjoy being able to directly access and utilize offerings such as information services, message storage and retrieval systems, and foreign

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<sup>4</sup>Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, FCC 91-91-214, CC Docket 91-35 (Released August 9, 1991).

language assistance. If a "dial around" prohibition is adopted, it should not restrain the development and availability of innovative features and services. Thus, public communications providers should be permitted to either route callers in need of such services to a presubscribed IXC or to process the calls within the telephone device.<sup>5</sup>

LinkUSA strongly believes that, absent the protections described above, incentives for location owners to contract with a non-LEC pay phone provider would be virtually eliminated. The LECs would quickly regain their monopoly of the pay telephone market while the availability and quality of public communications services would be severely diminished.

**C. The Costs of Billed Party Preference Should Be Equitably Distributed Among its Participants**

It is widely recognized that Billed Party Preference represents a dramatic change in the manner in which operator assisted calls will be handled. Unlike equal access for 1+ or public pay phone services, its deployment will affect all facets of the industry. LECs and IXCs will be expected to invest enormous resources in capital equipment, data base interfaces, presubscription administration, marketing campaigns, and network architecture. Although the extent and exact costs of these modifications are still a mystery, they will most surely be substantial.

Should the Commission choose to implement Billed Party Preference, it must determine how the exorbitant costs will be distributed among the

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<sup>5</sup>It is unclear how a consumer could use a commercial credit card or a calling card issued by a foreign entity in a Billed Party Preference system. "Dial around" technology may be the only means of continuing to make these billing methods available to American and foreign callers.

suppliers and users of the service. In other words, it must ascertain how consumers will ultimately pay for a nationwide Billed Party Preference system.

If condoned by the Commission, LinkUSA proposes that a portion of the extraordinary costs of Billed Party Preference be recouped through a "Billed Party Preference Recovery Charge". Each LEC could assess a per line charge to all its telephone subscribers each month. The monies collected by the LECs would then sent to a third party for distribution among the LECs and IXC's. This approach is similar to the Commission's equal access recovery plan and is an appropriate vehicle for spreading the costs of Billed Party Preference among its "beneficiaries".

LinkUSA also recommends an access credit mechanism be developed to assist IXC's in recouping their cost of the facilities necessary to accommodate Billed Party Preference. Under this approach, an IXC's charges for switched access would be reduced by an amount based upon the number of Billed Party Preference calls processed by the IXC in a given month. Credits for WATs usage have been administered by the LECs in the past; this proposal would be implemented in the same manner. In this way, IXC's could offset the enormous installation and set-up costs they will incur with Billed Party Preference.

Even with these mechanisms in place, many IXC's who currently provide, or intend to provide operator services may be unable to afford to participate in Billed Party Preference. LinkUSA believes that carriers not participating in Billed Party Preference should not be required to subsidize those who do. LEC pricing for access and processing of Billed Party Preference calls should be based upon its

direct costs; tariffed charges should not impact the amounts IXCs pay for switched and special access services.

**D. LECs Should Survey Consumers for Their Reactions To Billed Party Preference**

Billed Party Preference will have the greatest impact upon the millions of transient consumers who uses operator services regularly. They will encounter massive changes in the processing and pricing of operator services. If brought to fruition, the reactions of consumers to Billed Party Preference will determine the success or failure of the new system.

For this reason, LinkUSA submits that the LECs be directed to conduct a survey of their subscribers. The surveys should contain a Commission notice describing Billed Party Preference, its perceived costs and benefits, and its potential impact upon call processing and operator assisted rates.<sup>6</sup> LinkUSA envisions that the surveys would be included in the consumers' monthly invoices for local telephone service. Consumers could indicate whether they were "for" or "against" changing the present system of routing operator assisted calls on the statement they remit with their LEC payments.

LinkUSA advocates that the results of the survey be consolidated and published by an impartial third party who would submit a report to the Commission. Parties to this proceeding should also be permitted to review and interpret the survey results. We believe that the Commission

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<sup>6</sup>It would also be useful to obtain similar data from users of AT&T's calling card services.

will discover that consumers are unwilling to change their dialing habits or to pay higher prices for the few conveniences that Billed Party Preference might afford them.

**E. The BOCs Should Not Disproportionately Benefit From Billed Party Preference**

Current plans for Billed Party Preference appear to best serve the interests of the Bell Operating Companies and large LECs as they strive to enter new (loosely regulated) markets.<sup>7</sup> These companies currently control over 90% of the telephone lines installed today and have a virtual monopoly of intraLATA markets. Many BOCs are reaping huge profits from operator transfer services; in fact one BOC charges IXCs for handling their O- calls whether or not the call is transferred to the IXC. Billed Party Preference extends this enormous power base to encompass all operator assisted calls. The consequences of such market domination and entrenchment could be devastating.

**IV. IMPLEMENTATION OF BILLED PARTY PREFERENCE**

The issues affecting the implementation of a uniform system of Billed Party Preference are substantial and could render Billed Party Preference impractical and/or unfeasible. LinkUSA urges the Commission to consider prescribing certain operating requirements if Billed Party Preference is adopted.

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<sup>7</sup> Several parties question the legal basis for the petition and challenge arguments that Billed Party Preference has been sanctioned by the MFJ court. The Competitive Telecommunications Association (Comptel) has addressed the legal and public policy ramifications of Billed Party Preference in its comments to the Commission. Link USA supports Comptel's position and asks that the Commission take steps to resolve these valid concerns.

**A.    Balloting and Allocation Are Appropriate for Billed Party Preference**

The Commission has proposed two alternative ways for LECs to solicit a Billed Party Preference selection from consumers. One assignment method would require the LECs to simply notify consumers of their ability to subscribe to a Billed Party Preference service provider and to furnish each "billed party" with a listing of available IXCs. In the alternative, the LECs would undertake a balloting effort whereby consumers would also be asked to select a preferred carrier for long distance operator assisted calls. In either case, those who fail to designate a carrier would be "defaulted" to their 1+ IXC for Billed Party Preference calls.<sup>8</sup>

It is the opinion of LinkUSA that balloting is the most appropriate method of determining 0+ presubscriptions. The passive nature of a notification process does not inspire consumers to consider all the IXC choices available to them while balloting prompts consumers to make a conscious decision as to who will carry their operator assisted calls. Most consumers are already accustomed to weighing the pricing and service options of 1 + carriers. Balloting also stimulates competition among participating IXCs because customers of IXCs who do not establish and sustain favorable relationships will migrate to other service providers.

If Billed Party Preference is to be implemented, LinkUSA strongly believes that "non-presubscribed" consumers be allocated among qualifying

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<sup>8</sup> Presubscription should also permit consumers to designate a "preferred" intraLATA carrier to utilize in areas where regulators have condoned competition within the LATA.



IXCs rather than "defaulted" to the 1+ carrier associated with the telephone line.<sup>9</sup> This distribution mechanism was thoroughly tested during the country's transition to 1+ equal access and was found to be a reasonable means of distributing "non-presubscribed" traffic.

LinkUSA is concerned that a default policy effectively compels 1+ carriers to make arrangements to provide operator assisted services directly or through another IXC. Many IXCs, especially regional carriers, are not equipped to handle 0+ traffic. By automatically assigning such traffic to a 1+ carrier, the Commission is changing the nature of a 1+ carrier's business and dictating the products it will offer. LinkUSA believes that it is unreasonable to impose Billed Party Preference obligations upon those carriers who have elected to tailor their businesses exclusively to the 1+ market.

Allocation also tempers AT&T's stronghold on the operator assisted services market. Its domination has already had a devastating effect upon its customers and its competition. By defaulting consumers to a 1+ carrier, AT&T will retain the lion's share of the market. Allocation affords other IXCs the opportunity to acquire new customers, especially in non-equal access areas. Consumers unfamiliar with the presubscription process may not respond to ballots or letters from the LEC. A default program would deny other IXCs the ability to service these consumers simply because it has been impractical or unfeasible to provide 1+ service in these locations in the past. LinkUSA submits that an allocation program alleviates these anomalies.

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<sup>9</sup>A "qualifying IXC" refers to IXCs who have chosen to participate in Billed Party Preference.

**B. Presubscription Procedures Should Be Standardized  
and Uniformly Administered by the LECs**

Presubscription for Billed Party Preference, will, by necessity, affect every consumer in the country. For the first time, all LECs, not just the Bell Operating Companies (BOCs) must be prepared to conduct a complex and expensive administrative process.

LinkUSA cautions the Commission that, even though the BOCs have administered two rounds of presubscription over the past decade, it has never been implemented in a timely and accurate fashion. IXCs have suffered financially and competitively from such problems as incorrect and dated customer information, inconsistent or modified deployment schedules, misassignment of customers, and poor administrative support.

LinkUSA, therefore, respectfully submits that all LECs be required to strictly adhere to uniform policies, procedures, and schedules. The exchange of presubscription and allocation data should also be automated wherever it is technically and financially possible; manual procedures are untimely, cumbersome, and lead to errors. Customer lists supplied to IXCs must accurately identify all potential customers and contain information about all O+ calling patterns, including O+ "proprietary" calling card usage. Billed Party Preference procedures must also be thoroughly tested by all LECs so that presubscription does not disrupt relationships between IXCs and their customers.

**C. Secondary Carrier Arrangements Must be Equitable  
and Practical.**

The Commission has suggested that regional IXCs partner with other carriers for handling operator assistance calls in areas where their service is unavailable. On the surface, this approach appears to offer

a reasonable means by which these carriers could participate in Billed Party Preference. However, it also raises significant questions.

For example, whose rates and charges would be applicable to calls placed through a secondary carrier? Many consumers will select a Billed Party Preference IXC on the basis of price and will expect that a uniform rate schedule will be applicable to all operator assisted calls. The IXC's secondary carrier, however, may have greater or lesser costs, and thus, may charge significantly different rates than the primary IXC. If the Commission is to adopt Billed Party Preference, it must establish a means of assuring consistency in rates while permitting primary and secondary IXCs to recover their discrete costs of providing the service.

The confidentiality of customer information is also of great concern to LinkUSA. The Commission's proposed partnering arrangements would require an IXC to supply its secondary carrier with its most valuable resource, its customer list. In many cases, IXCs would be sharing this information with its competitors. Protections must be established to preserve the integrity and confidentiality of shared customer information.

Partnering arrangements for Billed Party Preference should also permit the same type of flexibility to IXCs in their selection of a secondary carrier. Competition in long distance services has flourished largely because underlying carriers are vying for IXCs' transport business. As these carriers contend for IXC contracts, the quality of transmission service has improved while IXC costs have gone down. Billed Party Preference, if deployed by the LECs, must encourage IXCs to aggressively compete for secondary carrier traffic in the same manner.

Thus, Billed Party Preference must be configured to allow IXC's to designate a secondary carrier on a local or LATA basis. Such flexibility could also offset some of the competitive advantages that the large, national IXC's could stand to gain if Billed Party Preference is implemented.<sup>10</sup>

**D. Industry Standards For Billed Party Preference Must Be Well Defined, Documented, and Distributed Several Months Prior to Deployment**

Throughout the NPRM, the Commission refers to the existence of "current industry plans or standards". LinkUSA is familiar with the standards for LIDB, SS7 and operator transfer services, but there is very little information about the specific networking protocols and data base translations for Billed Party Preference. Such standards must be thoroughly documented and distributed among all carriers several months prior to its deployment to assure that Billed Party Preference is implemented in a consistent and timely manner by its participants.

LinkUSA proposes that an industry-wide task force be established to identify and address the technical and operational issues affecting Billed Party Preference. This body of technicians, data base managers,

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<sup>10</sup>Despite the ability to select a "partner" to provide operator services, regional and third tier IXC's could still be severely disadvantaged compared to those carriers with a national presence. Marketing campaigns will strongly encourage and, in many cases, persuade consumers to select one carrier for all long distance calls. Regional IXC's and/or IXC's using secondary carriers may be incorrectly portrayed as offering inferior services as compared to IXC's with a national presence. These marketing conditions threaten to erode the customer base of those IXC's who cannot or do not expend the operational or financial resources necessary to participate in Billed Party Preference.

and industry experts should submit a preliminary set of standards to the Commission for public scrutiny and comment. This would enable those IXCs who could not afford the expense or personnel to participate in the design process to contribute to the standards that will dictate their daily operations.

**E. LEC Processing of Billed Party Preference Calls  
Should be Fully Automated**

LEC use of manual call processing techniques should not be permitted in a Billed Party Preference environment. Reliance upon human operators is costly and increases the margin for error in routing of interexchange calls. In addition, LEC operators have made derogatory comments about interexchange carriers in the past; such statements influence the consumer's perception and selection of a "preferred" carrier. It is imperative, therefore, that precautions be taken to minimize the incidence of inaccuracy and biases that are inherent under the proposed Billed Party Preference plan. The best way to alleviate such problems is to remove the human element from the call processing function by employing Automated Alternative Billing Service (AABS) or similar technology. LinkUSA strongly recommends, therefore, that the local exchange carriers be required to utilize automated technology for the processing of all Billed Party Preference calls.<sup>11</sup>

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<sup>11</sup>We believe that a high percentage of callers prefer using a "live" operator to handle their calls. LinkUSA suggests that the Commission study consumer acceptance of automated call processing. The level of potential consumer dissatisfaction and/or confusion could render Billed Party Preference to be an impractical call processing alternative.

The intervention of multiple operators for Billed Party Preference calls is unavoidable in those areas where AABS is not available. Absent the ability of the LECs to electronically transfer calls and billing data to an IXC, a consumer will be required to provide this information to several operators prior to establishing a connection with the called party. In the opinion of LinkUSA, consumers should be able to place a Billed Party Preference call without having to provide billing information more than once. The use of multiple operators impedes the swift and cost effective processing of calls and places unnecessary burdens upon carriers and consumers; it is non-existent in today's environment. AABS technology is an appropriate remedy for this problem, and, therefore, it must be deployed by all LECs if Billed Party Preference is to offer a practical alternative to the manner in which operator assisted calls are currently processed.

**F. AABS Does Not Cure All Problems of Increased Call Processing Time**

Although AABS offers a viable solution to the problems of direct operator intervention by the LEC, it only addresses one aspect of the call processing equation. While AABS may only add four seconds onto the LEC portion of a call, the call must also be routed to the IXC and processed. AT&T has predicted that call processing time could increase "as much as 20 seconds in the near term, and even when an automated interface has been developed, automated calling card calls will take at least 25 percent longer"<sup>12</sup>. This estimate presumes that IXCs have the

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<sup>12</sup>In the Matter of Bell Atlantic Companies Petition for Rulemaking to Establish Uniform Dialing From Pay Telephone, RM 6723, AT&T Comments at 6.

ability to route these calls directly through their systems. Most IXC's, however, will not have this capability and, therefore, will be required to rely upon "live" operator intervention to ascertain and validate the desired billing method from the caller. Thus, the additional time necessary to process most Billed Party Preferences call could be significantly greater than 25 seconds.

It has also been suggested that AABS could minimize the incidence of call abandonments due to increases in call processing time. Using automated voice technology, AABS would provide consumers with instructions or information during the time that their calls are being processed through the system. However, most callers are solely interested in reaching their desired party in the fastest, most economical manner.<sup>13</sup> A recorded announcement is unlikely to appease consumers by masking the inefficiencies that characterize Billed Party Preference as it is currently envisioned. It may, in fact, provide and incentive for consumers to bypass 0+ dialing in favor of access code dialing.

**G. 14-Digit Screening For Line Number Base Calling  
Cards Is Essential**

IXCs should not be prevented from issuing line number based calling cards in a Billed Party Preference environment. Line Number Based Calling Cards have become the "calling card of choice" among millions of consumers. They provide a simple method with which to place operator

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<sup>13</sup>Link USA does not disagree that such information should be available to consumers and suggests that AABS be configured to permit callers to obtain such information upon request, if a Billed Party Preference system is implemented.

assisted calls; consumers need only remember their phone number and a four digit Personal Identification Number (PIN) in order to place a telephone call from any location. With Billed Party Preference, the LECs will route long distance calls to the card issuer; 14-digit screening is the only means by which the LEC can accurately identify the proper carrier.

Failure to incorporate a requirement for 14-digit screening of calling cards into Billed Party Preference plans could also force hundreds of IXCs to bear the expense and burdens of issuing new (CIID and/or 891) calling cards. Such cards represent an enormous financial and operational commitment that most IXCs are unwilling or unable to make, especially if they are compelled to operate in a Billed Party Preference environment. Thus, LinkUSA believes that the majority of IXCs will rely upon line based calling cards, or their equivalents, for a long time after Billed Party Preference is deployed.

IXCs should also have total flexibility in assigning PIN numbers to customers. In other words, IXCs should not be limited to predetermined four digit PINs or numeric sequences which are prefaced by their carrier identification code. If such restrictions were to apply, it would be easy for anyone to "create" a valid IXC calling card number. IXCs would then be unduly exposed to potential fraud and abuse of their calling card services.

IXCs should not be obliged to issue CIID or 891 calling cards as a prerequisite to accepting Billed Party Preference calls, nor should consumers be precluded from using the simplest and most convenient means of placing operator assisted calls. For Billed Party Preference to be



viable, it cannot impose new and complicated calling card arrangements upon consumers and IXCs. For these reasons, LinkUSA believes that 14-digit screening for line based calling cards is an essential element of a Billed Party Preference scheme.

**H. Billed Party Preference Must be Fully Deployed in Non-Equal Access Areas**

LinkUSA has advocated that Billed Party Preference must provide consumers with universal service arrangements; its availability must not be restricted to consumers residing or travelling in equal access areas. Unless all independent LECs are willing and able to absorb the economic and operational requirements of Billed Party Preference, a uniform dialing plan cannot be achieved. They must be equipped to process Billed Party Preference calls from all locations within their serving area. This will mean investment into new technologies, access facilities, and switching equipment. These companies must also be prepared to administer presubscription for Billed Party Preference. If these carriers cannot or will not accommodate all aspects of Billed Party Preference, its deployment is neither practical nor feasible.

**II. ALTERNATIVES TO BILLED PARTY PREFERENCE**

Billed Party Preference was first introduced by Bell Atlantic in April, 1989 as a means of fulfilling its equal access obligations in the pay phone market.<sup>14</sup> It was also presented as a possible way to resolve the problems that consumers encountered when attempting to use an

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<sup>14</sup>Bell Atlantic Tel. Cos., Petition to Establish Uniform Dialing Plan From Pay Telephones, RM-6723, filed April 14, 1989.